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ABSTRACT

The affordability of college is dependent on the cost of attendance, families' financial resources, and the financial aid available from federal, state, and other sources. This report examines college affordability for students who applied for federal financial aid. Less than half of all students (35%) apply for federal aid. In addition to federal aid, students are eligible for and receive aid from a variety of other sources, such as Bright Futures and other state and local programs. Available data for federal financial aid applicants in Fiscal Year 2000-2001 indicates that a high percentage of these students had "unmet financial need" as defined by state and federal financial aid programs. A higher percentage of community college students than university students had "unmet need"; these students faced lower college attendance costs than university students but also had fewer financial resources. Low-income applicants typically received more financial aid than applicants with higher family incomes. Four appendixes contain supplemental data tables. (Contains 23 exhibits.) (Author/SLD)

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Information Brief

August 2003

Report No. 03-47

Compilation of College Affordability Data for Students Who Applied for Federal Aid

at a glance

The affordability of college is dependent on the cost of attendance, families' financial resources, and the financial aid available from federal, state, and other sources. This report examines college affordability for students who applied for federal financial aid. Less than half of all students (35%) apply for federal aid. In addition to federal aid, students are eligible for and receive aid from a variety of other sources, such as Bright Futures and other state and local programs.

Available data for federal financial aid applicants in Fiscal Year 2000-01 indicates that a high percentage of these students had "unmet financial need" as defined by state and federal financial aid programs. A higher percentage of community college students than university students had "unmet need"; these students faced lower college attendance costs than university students but also had fewer financial resources. Low-income applicants typically received more financial aid than applicants with higher family incomes.

Scope

This information brief presents college affordability data compiled from Florida university and community college sources. It supplements OPPAGA's Program Evaluation and Justification Review of Florida's Student Financial Assistance Program. Specifically, this report

- identifies the sources and types of financial aid available to Florida Students and
- examines the "unmet student financial need" computed by the federal government for 2000-01 college students.

A companion technical report provides information on the types of students receiving financial aid in Florida. Other reports in OPPAGA's review of Florida's Student Financial Assistance Program examined the administration of the Department of Education's Office of Student Financial Assistance (Report No. 03-16), the Bright Futures Program (Report No. 03-17), college tuition and costs (Report No. 03-33), and tuition for non-residents (Report No. 03-29). [1]

[1] *Justification Review: Office of Student Financial Assistance Generally Performs Well, But Performance Measurement and Default Prevention Should Be Improved*, Report No. 03-16, February 2003.

Program Review: Bright Futures Contributes to Improved College Preparation, Affordability, and Enrollment, Report No. 03-17, February 2003.

Information Brief: College Attendance Costs Vary and Result From Higher Tuition, Room, and Board, Report No. 03-33, June 2003.

Special Review: Non-Residents Qualify Too Easily for Much Lower Resident Tuition Rates, Report No. 03-29, April 2003.

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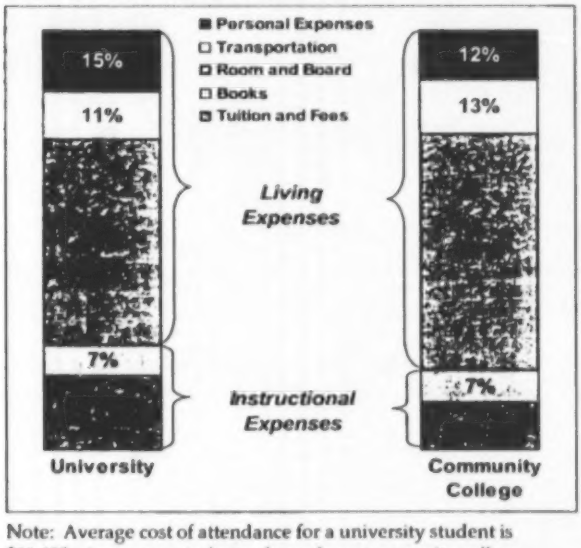
Background

An ongoing concern of the Florida Legislature and the citizens of Florida is the ability of Florida students to pay for college. Students who attend Florida's public universities and community colleges pay tuition and fees that defray part of the cost of providing educational services. Florida residents pay in-state tuition rates that cover approximately 25% of the cost of education, with state appropriations subsidizing the other 75%. College attendance costs also include a variety of fees; expenses for books, materials, and supplies; and living costs such as room and board, transportation and personal expenses. As shown in Exhibit 1, non-tuition costs account for 82% of the total cost of attendance for university students and 88% of the costs for community college students. Please see OPPAGA Report No. 03-33 for a thorough discussion on the cost of attendance for Florida's state postsecondary education institutions.

Exhibit 1
Tuition and Fees Are a Small Percentage of the Total Cost of Attending College



Note: Average cost of attendance for a university student is $11,659. Average cost of attendance for a community college student is $10,643.

Source: OPPAGA analysis of Council for Educational Policy Research and Improvement data.

Calculating student financial need

Two important measures of college affordability are "student financial need" and "unmet need," which are based on information calculated by the federal government. Students applying for need-based or federal aid must complete the Free Application for Federal Student Aid (FAFSA), which is submitted to the U.S. Department of Education. The information reported on the FAFSA is used to calculate the student's expected family contribution (EFC). The EFC will vary depending on whether students are considered dependent on parental support or independent. If considered dependent, the parents' income and assets, as well as the students', will be considered in calculating the EFC, while only the students' income and assets will be considered if they are independent. The formula used to calculate the EFC is established by Congress and is used to measure a student's financial strength based on their income and assets.

As shown in Exhibit 2, "student financial need" is calculated by subtracting students' EFCs from the cost of attending their chosen college (each college reports its cost of attendance). Student financial need is used to award a variety of financial aid grants and loans to students. At the federal level, the U.S. Department of Education awards Pell Grants based on student financial need. Florida's financial aid administrators also use this information to make need-based state and local institution financial aid program awards to students. A listing of federal, state, and institutional financial aid programs is given in Appendix A.

"Unmet need" is defined as the remaining student financial need after all federal, state, and institutional financial aid is considered. Students and their families must meet this "unmet need" through higher family contributions, student income from working,

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and/or additional sources such as private financial aid. [2]

Exhibit 2
Unmet Need Is the Residual Expenses of Postsecondary Education Not Covered by Family Contribution or Financial Aid

STUDENT FINANCIAL NEED =	Cost of attendance *< LESS >* Expected family contribution
UNMET NEED =	Student financial need *< LESS >* All financial aid received by student

Note: We report medians for cost of attendance, expected family contribution, and financial aid received in the report's findings. Medians are more representative of most students than the averages. The median cost of attendance, expected family contribution, and financial aid do not compute to the median unmet financial need. See Appendix D for further discussion.
Source: Postsecondary Education *OPPORTUNITY*, February 2001.

Findings

Most undergraduate resident (nearly 65%) students attending Florida's universities and community colleges in 2000-01 did not apply for federal aid. Some state financial aid programs such as Bright Futures do not require students to complete the Free Application for Federal Student Aid (FAFSA), which is one reason for this high percentage. It is unknown whether students who did not complete the FAFSA would have been determined to have "financial need." See Appendix B for information about the number of financial aid applicants in 2000-01. Students also receive local and institutional aid which may not require the completion of a federal application. (See Report No. 03-40 for a full analysis of all financial aid recipients in 2000-01.)

[2] A 2001 report by the Advisory Committee on Student Financial Assistance of the U.S. Department of Education, commonly referred to as "Access Denied," highlighted some of the potential ways that students deal with unmet need. Specifically, the report states that unmet need may cause students to deviate from full-time, on-campus attendance toward part-time attendance, living off campus, and working long hours to avoid borrowing. The report also states that the probability of persistence and degree completion decline when students face excessive levels of unmet need.

Student Financial Resources and Need in 2000-01

After considering their expected family contributions, a high percentage of university and community college students who applied for federal financial aid in 2000-01 were determined to have "financial need." [3] Specifically,

- community college financial aid applicants typically had lower expected family contributions than did university applicants;
- university applicants typically had higher "financial need" than did community college applicants due to the higher costs of attending a university; and
- independent and minority applicants had the highest "financial need" across both systems. Community colleges served a higher percentage of these students.

Community college federal aid applicants had lower expected family contributions than university applicants in 2000-01

Community college students who applied for federal financial aid in 2000-01 had lower family incomes and expected family contributions than university applicants. As shown in Exhibit 3, the median family income for community college applicants was $18,900 compared to a higher median income of $34,636 for university applicants. Over half of the community college applicants had family incomes of $20,000 or less.

[3] We obtained detailed institutional financial data for all students who completed a FAFSA while attending a public postsecondary institution in Florida in 2000-01. For every student who completes a FAFSA, an Institutional Student Information Record (ISIR) is generated. From this ISIR information, we were able to obtain family income and expected family contribution data. We calculated unmet need by combining ISIR data with cost of attendance data also collected from institutions and awards data provided by Department of Education Colleges. Our affordability analysis is based solely on undergraduate resident financial aid applicants or students for which an ISIR record was generated.

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Exhibit 3
Over Half of the Community College Federal Aid Applicants in 2000-01 Had Family Incomes of $20,000 or Less

	Income Information for 2000-01 Financial Aid Applicants	
	Community Colleges	Universities
Median Family Income		
All Applicants	$18,900	$34,636
Percentage of Applicants by Family Income Level		
$20,000 or less	53%	31%
$20,001-$40,000	32%	24%
$40,001-$60,000	9%	17%
$60,001-$80,000	3%	12%
Over $80,000	2%	16%

Source: OPPAGA analysis of Department of Education data.

As a result of these income differences, community college applicants typically had lower EFCs than did university students. The median expected family contribution for community college applicants was $194, compared to $3,174 for university applicants. (See Exhibit 4.) The median expected family contribution rose by income bracket and was fairly consistent for both community college and university applicants.

Exhibit 4
The Typical Community College Federal Aid Applicant in 2000-01 Was Expected to Contribute Only $194 Towards College Costs

Family Income Level	Median Expected Family Contribution	
	Community Colleges	Universities
All Applicants	$ 194	$ 3,174
$20,000 or less	0	0
$20,001- $40,000	977	1,768
$40,001- $60,000	4,279	4,987
$60,001- $80,000	9,898	9,907
Over $80,000	17,492 [1]	18,713 [1]

[1] In public institutions, which typically have lower costs than private institutions, students with high expected family contributions (such as those with more than $80,000 in family income) would likely have enough family resources to fully cover their estimated college costs.
Source: OPPAGA analysis of Department of Education data.

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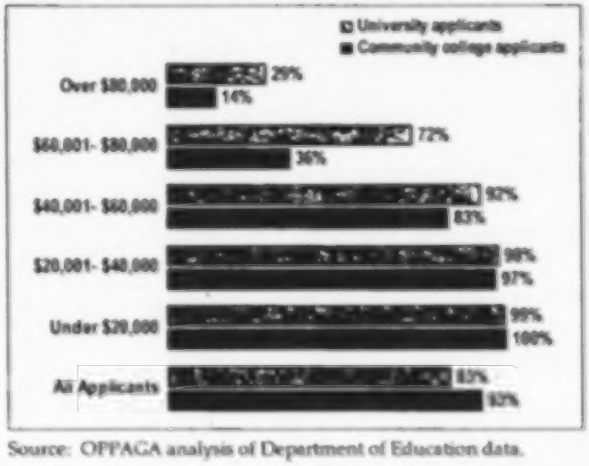
University federal aid applicants typically had higher student financial need than community college applicants due to higher costs

A high percentage of both university (83%) and community college (93%) applicants were determined to have financial need, meaning that their expected family contribution calculated by the U.S. Department of Education did not cover the total estimated cost of attending college. These students were considered to need financial aid to help fill the gap and make college more affordable. (See Exhibit 5.)

Exhibit 5
A Large Percentage of Federal Aid Applicants Were Not Able to Meet College Costs Through Their Expected Family Contributions



Source: OPPAGA analysis of Department of Education data.

Although community college applicants had lower expected family contributions, university applicants typically had more financial need because of the higher university costs of attendance. University applicants were determined to have a median financial need of $8,202 compared to a median need of $7,782 for community college applicants. (See Exhibit 6.) The median cost of attendance for university applicants was $12,283, compared to a median cost of $9,052 for community college applicants. Due to the higher costs, university applicants with incomes between $60,001 and $80,000 typically were determined to have some financial need (median need of $3,158).

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Exhibit 6
University Applicants Typically Had More Financial Need Than Community College Applicants Due to Higher Costs of Attendance

	Median Cost of Attendance	Median Financial Need
Community Colleges		
All Applicants	$9,052	$7,782
$20,000 or less	9,494	9,052
$20,001- $40,000	8,706	7,240
$40,001- $60,000	8,030	3,647
$60,001- $80,000	7,890	0
Over $80,000	7,890	0
Universities		
All Applicants	$12,283	$ 8,202
$20,000 or less	11,960	11,736
$20,001- $40,000	11,960	9,943
$40,001- $60,000	12,270	7,440
$60,001- $80,000	12,953	3,158
Over $80,000	13,455	0

Source: OPPAGA analysis of Department of Education data.

Independent and minority federal aid students typically had fewer family resources and more financial need across both systems

Independent and minority federal aid applicants had the highest calculated financial need at both community colleges and universities. Independent applicants typically had the highest financial need because they had lower family resources coupled with slightly higher attendance costs than dependent applicants.[4] Specifically, as shown in Exhibit 7, the median family income for university independent applicants was $13,564 compared to a considerably higher median income of $49,310 for dependent university applicants. Community college applicants displayed a similar pattern regarding median incomes. Regarding the percentage of applicants by income, 66% of all the independent applicants from both systems had family incomes of $20,000 or less compared to only 22% of dependent applicants.

[4] Dependency refers to the financial dependency status of a student. A student classified as dependent by an institution is considered to be financially dependent on a parent or caregiver. An independent student is not financially dependent on someone else.

Exhibit 7
Independent Applicants Had Significantly Lower Family Incomes Than Dependent Applicants

	Income Information Based on Dependency Status	
	Dependent Applicants	Independent Applicants
Median Family Income		
Community Colleges	$27,000	$14,712
Universities	49,310	13,564
Percentage of Applicants by Income Level Universities and Community Colleges Combined		
$20,000 or less	22%	66%
$20,001 - $40,000	31%	26%
$40,001 - $60,000	18%	6%
$60,001 - $80,000	12%	1%
Over $80,000	15%	1%

Source: OPPAGA analysis of Department of Education data.

Minority students tended to have greater financial aid needs because they typically had lower family resources. As shown in Exhibit 8, African American and Hispanic applicants had the lowest family resources, with half of these students coming from families with incomes of $20,000 or less. The median family income of African-American and Hispanic applicants was lower than white students in both community colleges and universities. For example, African American university applicants had a median income of $25,225 compared to a median income of $41,043 for white students.

Exhibit 8
Minority Federal Aid Applicants Had Lower Family Incomes Than Non-Minority (White) Applicants

	Family Income Information by Ethnicity			
	African Americans	Hispanic	Other[1]	White
Median Family Income				
Community Colleges	$17,681	$17,151	$20,000	$21,000
Universities	25,225	31,096	33,181	41,043
Percentage of Applicants by Income Level Universities and Community Colleges Combined				
$20,000 or less	51.2%	50.1%	40.9%	37.6%
$20,001 - $40,000	31.6%	30.7%	29.2%	26.8%
$40,001 - $60,000	9.4%	10.2%	13.9%	14.2%
$60,001 - $80,000	4.2%	4.5%	7.6%	9.5%
Over $80,000	3.6%	4.5%	8.4%	12.0%

[1] Other minorities include includes Asian, Native Americans, Alaskan Natives, non-resident alien, and "not reported."

Source: OPPAGA analysis of Department of Education data.

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Because of these income differences, independent and minority applicants typically had lower expected family contributions. For example, independent university applicants had a median EFC of $1,044, compared to a median EFC of $4,709 for dependent students. (See Exhibit 9.) For minority students, the median expected family contribution for African American financial aid applicants attending a university was $1,147, compared to $4,390 for non-minority applicants.

Exhibit 9
Independent and Minority Federal Aid Applicants Typically Had Lower Expected Family Contributions

Student Type	Median Expected Family Contribution	
	Community Colleges	Universities
All Applicants	$194	$3,174
Dependent	641	4,709
Independent	22	1,044
African American	0	1,147
Hispanic	43	2,540
Other Minority	176	2,725
Non-Minority	765	4,390

Source: OPPAGA analysis of Department of Education data.

Due to these differences, independent and minority students who applied for financial aid had the greatest overall calculated student financial need, which is defined as the cost of attendance minus the estimated family contribution. As shown in Exhibit 10, community college independent applicants had a median financial need of $9,052. By comparison, dependent applicants had a median financial need of $5,899. Minority applicants had higher median student financial need than non-minority applicants.

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Exhibit 10
Independent and Minority Federal Aid Applicants Had the Greatest Financial Need Across Both Systems

Student Type	Median Cost of Attendance	Median Need
Community Colleges		
All Applicants	$ 9,052	$7,782
Dependent Applicants	7,655	5,899
Independent applicants	10,048	9,052
African American	9,110	8,166
Hispanic	9,052	7,948
Other Minority	8,487	7,159
White	9,071	7,335
Universities		
All Applicants	$12,283	$ 8,202
Dependent Applicants	12,120	7,224
Independent Applicants	12,744	10,638
African American	12,535	10,197
Hispanic	11,960	8,315
Other Minority	11,960	8,463
White	12,397	7,462

Source: OPPAGA analysis of Department of Education data.

In 2000-01, community colleges served a higher percentage of independent and/or minority federal aid applicants than did the universities. As shown in Exhibit 11, 60% of the community college applicants were classified as independent compared to 32% for universities. In addition, 55% of community college applicants were minorities compared to 41% of university applicants.

Exhibit 11
Community Colleges Served a Higher Percentage of Independent and Minority Federal Aid Applicants Than Universities in 2000-01

Student Type	Percentage of Total Applicants	
	Community Colleges	Universities
Dependency		
Dependent	40%	68%
Independent	60%	32%
Ethnicity		
African American	27%	21%
Hispanic	24%	15%
Other Minority	4%	5%
White	45%	59%

Source: OPPAGA analysis of Department of Education data.

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Financial Aid Awards in 2000-01

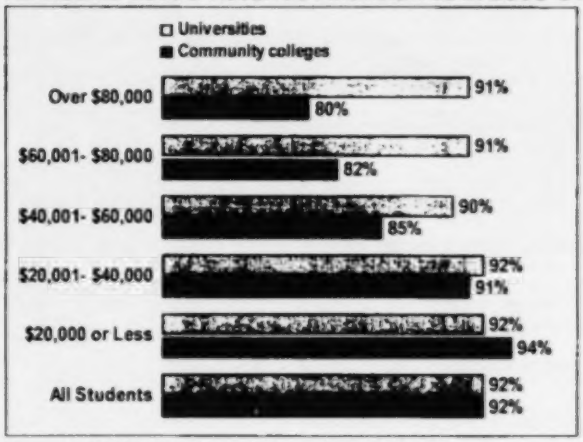
A large percentage of the federal financial aid applicants from all income levels received financial aid in 2000-01. This aid included loans, grants, and scholarships such as Bright Futures awards. We examined the financial awards received by applicants and made the determinations noted below.

- Low-income applicants typically received more financial aid than higher income applicants.
- Applicants were more likely to receive grants and scholarships than loans and work-study. However, loan award amounts were typically higher than grant and scholarship awards, particularly for university applicants.
- The sources of aid varied between community college and university applicants. Community college applicants were more likely to receive grants and scholarships from the federal government than state or local sources. In contrast, university applicants were more likely to receive aid from the state than federal or local sources.

Low-income federal aid applicants typically received more financial aid than higher income applicants

The distribution of financial aid received per applicant (including loans) followed similar patterns for both community colleges and universities. (See Exhibit 12.) A high percentage of federal aid applicants from both systems and all income levels received some type of financial aid award in 2000-01. For universities, at least 92% of the applicants from all income levels received some type of financial aid. The percentage of community college applicants receiving aid showed ranged from 94% for applicants with family incomes of $20,000 or less to 80% for applicants with incomes over $80,000.

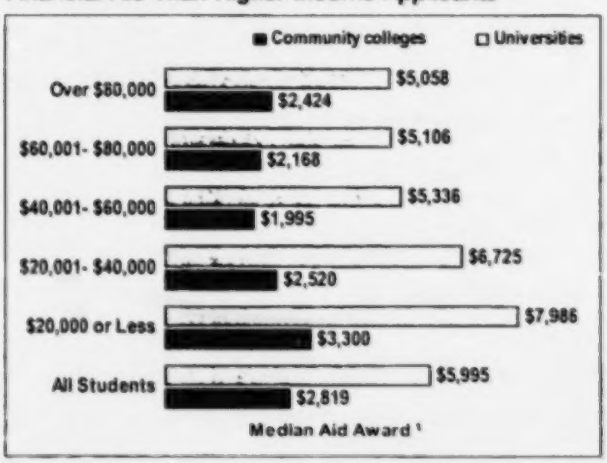
Exhibit 12
A Large Percentage of Federal Aid Applicants from All Income Levels Received Financial Aid in 2000-01



Source: OPPAGA analysis of Department of Education data.

Low-income applicants from both systems typically received more total financial aid than applicants with higher family incomes. (See Exhibit 13.) For example, university applicants with the lowest family incomes ($20,000 or less) received a median $7,986 in financial aid.[5] By comparison, university applicants with family incomes over $80,000 received a median of $5,058 in financial aid.

Exhibit 13
Low-Income Applicants Typically Received More Financial Aid Than Higher Income Applicants



1 Medians calculated for applicants who received aid.
Source: OPPAGA analysis of Department of Education data.

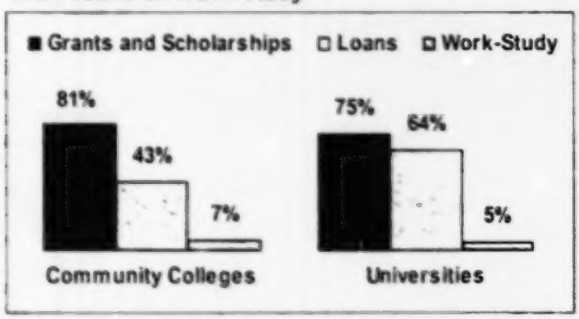
[5] Median aid awards were only calculated for students who received the type of financial aid being considered.

Exhibit 13 also shows that community college applicants typically received less total financial aid than university applicants in 2000-01. Community college applicants had a median award of $2,819, compared to the university median award of $5,995. This pattern was consistent across all income levels and can be partly explained by the higher costs associated with universities, which consequently leads to more calculated financial need. In addition, some types of aid programs such as federal loans have higher maximum award levels for students in their junior and senior years.

Federal aid applicants were more likely to receive grants and scholarships than loans and work-study

A higher percentage of federal aid applicants received grants and scholarships than loans or work-study. (See Exhibit 14.) For universities, 75% of all students received some type of grant or scholarship, while 64% received loans and 5% received work–study aid. Community college applicants had a higher reliance on grants and scholarships with 81% of them receiving some type of this aid compared to 43% for loans and 7% for work–study.

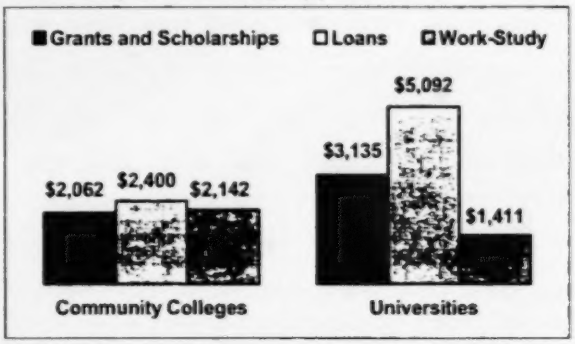
Exhibit 14
A Higher Percentage of Federal Aid Applicants Received Grants and Scholarships Than Loans or Work-Study



Source: OPPAGA analysis of Department of Education data.

However, the typical amount of aid that students received through loans exceeded the amount received through grants, scholarships, or work-study. (See Exhibit 15.) For example, university federal aid applicants who received grants and scholarships had a median award amount of $3,135. By comparison, applicants who received loans had a median loan award of $5,092. Community colleges applicants displayed a similar pattern.

Exhibit 15
Loan Award Amounts Were Typically Higher Than Grant and Scholarship Awards, Particularly for University Applicants



Note: Median award amounts were calculated only for those students who received that type of aid.
Source: OPPAGA analysis of Department of Education data.

Low-income applicants relied more heavily on grants and scholarships than high-income applicants. The percentage of federal aid applicants receiving grants and scholarships and the typical amount received varied across family income levels. Specifically, a larger percentage of low-income applicants received grants and scholarships compared to high-income applicants and their typical award amounts were also higher. (See Exhibit 16.) For example, 90% of the community college applicants with family incomes of $20,000 or less received grants and scholarships compared to 35% of the applicants with incomes over $80,000.

Exhibit 16
A Higher Percentage of Low-Income Applicants Receive Grants and Scholarships in Both Systems

	Applicants Receiving Aid	
	Percentage	Median Award
Community Colleges		
All Applicants	81%	$2,062
$20,000 or less	90%	2,463
$20,001- $40,000	83%	1,675
$40,001- $60,000	50%	1,000
$60,001- $80,000	37%	1,100
Over $80,000	35%	1,125
Universities		
All Applicants	75%	$3,135
$20,000 or less	85%	4,150
$20,001- $40,000	80%	3,515
$40,001- $60,000	68%	2,478
$60,001- $80,000	64%	2,219
Over $80,000	64%	2,352

Note: Median award amounts were calculated only for those students who received that type of aid.
Source: OPPAGA analysis of Department of Education data.

Although university federal aid applicants had a similar pattern of grants and scholarship aid across income levels, the amount of variance among levels was not as great as in community college applicants. This may be due, in part, to a higher percentage of university students receiving Bright Futures Scholarships.

University applicants relied more heavily on loans than community college applicants. University applicants were more dependent on student loans than community college applicants. As shown in Exhibit 17, 64% of the university applicants received a loan compared to 43% of the community college applicants. In addition, the median loan award for universities was $5,092, which was double the median amount for community colleges ($2,400).

Exhibit 17
University Federal Aid Applicants Relied More Heavily on Loans Than Community College Applicants

	Applicants Receiving Loans	
	Percentage	Median Award
Community Colleges		
All Applicants	43%	$2,400
$20,000 or less	42%	2,348
$20,001- $40,000	40%	2,312
$40,001- $60,000	54%	2,424
$60,001- $80,000	57%	2,547
Over $80,000	55%	2,625
Universities		
All Applicants	64%	$5,092
$20,000 or less	66%	5,334
$20,001- $40,000	63%	4,754
$40,001- $60,000	65%	4,500
$60,001- $80,000	63%	4,500
Over $80,000	59%	5,329

Note: Median award amounts were calculated only for those students who received that type of aid.
Source: OPPAGA analysis of Department of Education data.

The sources of aid varied between community college and university applicants. Grants and scholarship aid is available to students from federal, state, and local sources. Pell Grants constitute the majority of federal grant aid, while Bright Futures Scholarships make up the greater part of state aid. Community college applicants were much more likely to receive aid from the federal government than state or local sources. Specifically, 72% of community college applicants received federal grants and scholarship aid compared to 26% for state and 19% for local aid. (See Exhibit 18.) In contrast, university applicants were more likely to receive grants and scholarship aid from the state than federal or local sources.

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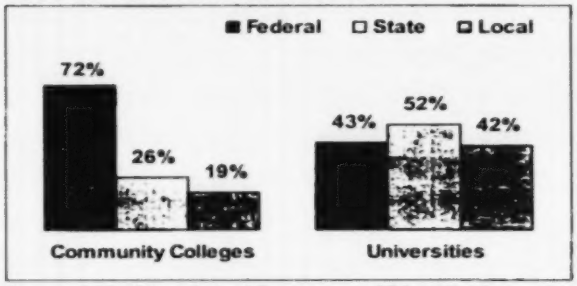
Exhibit 18
Most Grants and Scholarships for Community College Federal Aid Applicants Came from Federal Sources While University Applicants Received More from State Sources



Source: OPPAGA analysis of Department of Education data.

Unmet Need in 2000-01

As discussed in the previous section, a large percentage of federal financial aid applicants in 2000-01 received some type of financial aid award. However, for the majority of students, the amount of financial aid they received from all sources was not enough to erase the gap between their expected contributions and the cost of attendance ("unmet need"). Specifically,

- a large percentage of all financial aid applicants from both community colleges and universities had unmet need in 2001;
- on a per-student basis in 2000-01, the typical (median) community college applicant's family resources and financial aid (including loans) fell short of his or her estimated costs by $4,293; university applicants did markedly better with a typical unmet need of only $1,459; and
- some applicants were able to erase a substantial amount of financial need by maximizing the amount of financial aid they received.

Students and families may address unmet need by increasing family contributions above the level specified by the federal financial need calculation, by increased borrowing, or through increased student work to earn money to attend college. However, high levels of unmet need may cause students to attend college on a part-time basis to reduce costs, which can increase the risk that they will not complete a degree.

A large percentage of federal aid applicants from both community colleges and universities had unmet need in 2001

A large percentage of all federal aid applicants from both community colleges and universities had unmet need in 2001. As shown in Exhibit 19, our analysis found that 87% of the community college applicants and 58% of the university applicants had some level of unmet need. As expected, an applicant's family income level made a significant difference as to whether the individual had unmet need or not. For example, 95% of community college applicants with family incomes of $20,000 or less had unmet need compared to only 11% of the applicants with incomes over $80,000.

Exhibit 19
A Large Percentage of All Federal Aid Applicants Had Unmet Need in 2000-01

Family Income Level	Percentage of Applicants Who Had Unmet Need	
	Community Colleges	Universities
All Applicants	87%	58%
$20,000 or less	95%	75%
$20,001- $40,000	90%	74%
$40,001- $60,000	67%	63%
$60,001- $80,000	25%	34%
Over $80,000	11%	10%

Source: OPPAGA analysis of Department of Education data.

The percentage of federal aid applicants with unmet need varied by type of student. In addition to differences related to family income, the percentage of applicants with unmet need followed several other patterns based on the type of student. (See Exhibit 20.)

- A larger percentage of independent, minority, part-time, and older applicants had unmet need for both community colleges and universities. For example, 64% of all independent university applicants had unmet need compared to 54% of the dependent applicants. As discussed previously, these students typically had lower family resources.
- There were few differences among community college applicants on dependency, ethnicity, and enrollment

status (full-time vs. part-time). For example, a high percentage (over 73%) of applicants from all ethnic groups had unmet need.

- University applicants displayed more variance based upon a student's dependency and ethnicity. For example, 66% of the African American applicants had unmet need compared to 53% of the white students. Similar to community colleges, universities showed less variance between part-time and full-time applicants.
- Both community colleges and universities displayed significant differences among younger and older applicants. A larger percentage of applicants over the age of 24 had unmet need when compared to students under the age of 24.

Exhibit 20
A Larger Percentage of Independent, Minority, Part-Time, and Older Applicants Had Unmet Need

Student Type	Percentage of Applicants Who Had Unmet Need	
	Community Colleges	Universities
Dependency		
Dependent	80%	54%
Independent	91%	64%
Ethnicity		
African American	91%	66%
Hispanic	92%	64%
Other Minority	87%	61%
White	81%	53%
Enrollment Status		
Full-time	83%	58%
Part-time	89%	56%
Age		
Ages 24 and under	76%	52%
Over 24 years of age	90%	63%

Source: OPPAGA analysis of Department of Education data.

The percentage of federal aid applicants with unmet need varied among individual institutions. These differences were marked among community colleges, with the percentage of applicants with unmet need ranging from 72% at Edison Community College to 100% at North Florida Community College. Universities showed slightly less variance, ranging from 45% at Florida State University to 69% at Florida International University.[6] (See Appendix C for information on unmet need by institution.)

Community college federal aid applicants in 2000-01 had a larger amount of aggregate unmet need than university applicants

At an aggregate level, community college federal aid applicants had twice as much unmet need as university students in 2000-01. We examined aggregate levels of unmet need for all applicants who had some financial need in 2000-01. The total cost of attending college for these applicants was $962,508,350 for community colleges and $905,814,100 for universities. (See Exhibit 21.) University applicants were able to meet approximately 78% of their costs through a combination of family contributions and financial aid (grants, scholarships, and loans), with a total unmet need of $203 million. Community college applicants met 48% of their costs through family contributions and financial aid, with a total unmet need of $503 million.

The disparity in unmet need between community college and university applicants is largely due to differences in family contributions and borrowing (loans). University applicants met over half of their estimated costs through family contributions (27%) and loans (27%). In contrast, community college applicants met 24% of their estimated costs through family contributions (12%) and loans (12%).

[6] Santa Fe Community College has only 42% of applicants with unmet need. However, as this percentage is an outlier and not representative of community colleges in general we used the next lowest, Edison at 72%, for the bottom end of the range reported in text.

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Exhibit 21
In 2000-01, University Federal Aid Applicants Had a Higher Percentage of Their College Costs Met Through Family Contributions and Financial Aid

	Community College Applicants		University Applicants	
	Aggregate Amount [1]	Percentage of Total Costs	Aggregate Amount [1]	Percentage of Total Costs
Total Contributions and Aid	**$459,509,031**	**48%**	**$702,546,222**	**78%**
Expected Family Contribution	119,031,225	12%	240,284,954	27%
State Grants and Scholarships	26,501,400	3%	67,246,055	7%
Federal Grants and Scholarships	161,241,903	17%	85,804,610	9%
Local Grants and Scholarships	19,127,351	2%	57,800,609	6%
Work Study	20,754,496	2%	6,260,334	1%
Loans	112,852,655	12%	245,149,660	27%
Total Unmet Need	**$502,999,319**	**52%**	**$203,267,878**	**22%**
Total Estimated Costs	$962,508,350	100%	$905,814,100	100%

[1] This analysis only includes students who had financial need.
Source: OPPAGA analysis of Department of Education data.

Aside from the differences in family contributions and loans, the amount of grants and scholarship aid (from all sources) received by both applicant groups was equivalent, meeting approximately 22% of their costs. However, the type of aid received by community college and university applicants was different.

- University applicants relied more heavily on state and local grants and scholarships. University applicants met 13% of their total aggregate costs through state (7%) and local (6%) grants and scholarships. In comparison, community college applicants met 5% of their costs through state (3%) and local (2%) grants and scholarships.
- Community college applicants relied more heavily on federal grants and scholarships. Community college applicants met 17% of their total aggregate costs through this federal aid, compared to 9% by university applicants.

The typical community college federal aid applicant had a higher amount of unmet need than the typical university applicant

On a per-student basis in 2000-01, the typical (median) community college applicant's family resources and financial aid (including loans) fell short of his or her estimated costs by $4,293. University applicants did markedly better with a typical unmet need of $1,459. (See Exhibit 22.) As expected, the level of unmet dropped as an applicant's family income went up. Community college applicants typically had more unmet need than university applicants at all family income levels except for applicants with incomes between $40,001 and $60,000. In addition, applicants from both systems with family incomes in excess of $60,000 typically had no unmet need. These applicants either did not have financial need to begin with (family contributions covered cost) or they received enough aid to cover their estimated costs.

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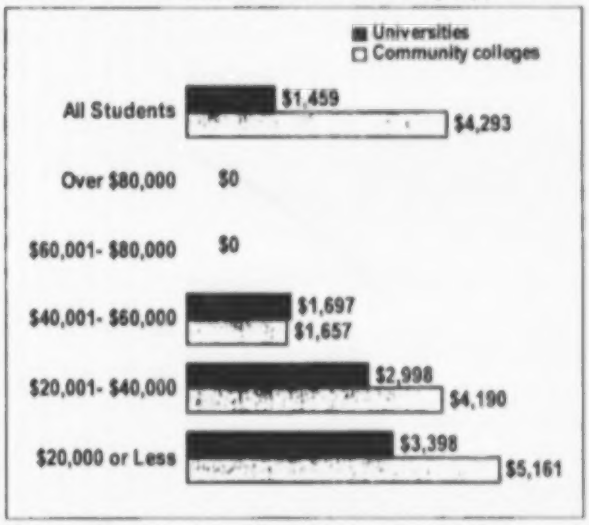
Exhibit 22
Community College Applicants Typically Had Higher Amounts of Unmet Need Than University Applicants



Source: OPPAGA analysis of Department of Education data.

The amount of unmet need per federal aid applicant varied by type of student. In addition to differences related to family income, the amount of unmet need per applicant followed several other patterns based on the type of student. (See Exhibit 23.)

- Independent, minority, part-time, and older applicants typically had higher amounts of unmet need in both community colleges and universities. For example, an independent community college applicant typically had $5,380 in unmet need compared to $2,879 for a dependent.
- Community colleges displayed less variance than universities based upon an applicant's ethnicity or race. Specifically, all ethnic groups for community colleges had approximately $3,800 or more in unmet need. By comparison, for universities, the typical white applicant had a low level of unmet need ($705) compared to minority applicants ($1,939 to $2,451).
- Community colleges showed a greater difference in the amount of unmet need between full-time and part-time applicants. Part-time community college applicants had $1,437 more in unmet than full-time applicants. In comparison, part-time university applicants had $524 more in unmet need.

The typical amount of unmet need per applicant varied significantly among individual institutions. For community colleges, the variance in the median amount of unmet per applicant need was substantial, ranging from a low of $2,831 at Santa Fe Community College to a high of $8,814 at Florida Keys Community College. Universities showed slightly less variance, with a low of $2,390 at University of Florida to a high of $4,903 at University of South Florida. (See Appendix C for information on unmet by institution.)

Exhibit 23
Independent, Minority, Part-Time, and Older Federal Aid Applicants Typically Had Higher Amounts of Unmet Need

	Median Unmet Need	
Student Type	Community Colleges	Universities
Dependency		
Dependent	$2,879	$ 899
Independent	5,380	2,770
Ethnicity		
African American	$4,525	$2,451
Hispanic	4,904	2,554
Other Minority	3,818	1,939
White	3,776	705
Enrollment Status		
Full-time	$3,425	$1,317
Part-time	4,862	1,841
Age		
Ages 24 and under	$3,575	$1,162
Over 24 years of age	5,345	2,548

Source: OPPAGA analysis of Department of Education data.

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Appendix A

Overview of Financial Aid Programs

A variety of financial aid programs have been established to help students pay for college and achieve other purposes as well. In general, these programs can be grouped into three categories.

- **Sources.** There are three basic sources of funding for financial aid programs: state (general revenue, lottery and trust funds), federal, and institutional. Institutional awards come from several different sources including private gifts and donations, tuition and fee revenues, and state appropriations. Students also may access aid from private sources (banks and other commercial financial entities) other than institutions.
- **Types of aid.** Financial aid is typically grouped into three major types: grants and scholarships, loans, and work-study. Grants or scholarships provide aid that students do not have to pay back, while loans and work-study awards require students to pay back the aid with interest or earn it through work.
- **Purpose.** While financial aid programs can serve many different purposes, two of the most common reasons are to improve access for students who are financially needy (need-based aid) and to reward students for academic achievement (merit-based aid). Other purposes include providing incentives for students to enter the job market in critical areas such as teaching and nursing.

Federal Programs. The federal government provides student financial assistance through grants, loans, scholarships, and work-study. Two major federal programs, the Pell Grant and Supplemental Education Opportunity Grant, provide grant money to undergraduate students with financial need who are attending an eligible public or private postsecondary school. Federal loans to students and parents provide the majority of debt resources used for education. The chart below lists the major financial aid programs provided by the federal government.

Table A-1
Federal Financial Aid Programs Are Primarily Need-Based

Federal Aid Program		Annual Award Limits
Pell Grant	Awarded to undergraduate students who have not earned a bachelor's or professional degree. Federal Pell Grants, which do not have to be repaid, are awarded to students based on need. The need is determined by the information provided on the Free Application for Federal Student Aid (FAFSA).	Up to $4,000 for 2002-03
Federal Supplemental Educational Opportunity Grant (FSEOG)	Awarded for undergraduates with exceptional financial need – those with the lowest Expected Family Contributions – and gives priority to students who receive Federal Pell Grants. The Expected Family Contribution is determined based on information provided by the student on the Free Application for Federal Student Aid (FAFSA).	Up to $4,000
Federal Work-Study	Provides jobs for undergraduate and graduate students with financial need, allowing them to earn money to help pay education expenses. The program encourages community service work and work related to your course of study.	No limit
Perkins Loan	Provides long-term, low-interest (5%) loans to financially needy students attending any eligible postsecondary school. The school is the lender. The loan is made with federal government funds with a share contributed by the school.	$4,000 for undergraduate students; $6,000 for graduate students
Subsidized Stafford Loan	Awarded to undergraduate and graduate students who demonstrate financial need. Because the U.S. Department of Education subsidizes the interest, borrowers are not charged interest while they are enrolled in school at least half-time and during grace and deferment periods.	$2,625 to $18,500, depending on grade level
Unsubsidized Stafford Loan	Awarded to undergraduate and graduate students regardless of financial need. Borrowers are responsible for paying the interest that accrues during any period.	$2,625 to $18,500, depending on grade level

Source: The Student Guide, Financial Aid from the U.S. Department of Education, 2003-04.

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State Programs. The Florida Department of Education's Office of Student Financial Assistance administers a wide variety of state aid programs. These programs combined provided 218,563 financial aid awards to Florida students in 2001-02. The largest is the Bright Futures Scholarship Program, which assisted 98,294 students based on academic achievement in high school. Other programs, such as the Florida Student Assistance Grant, assist students demonstrating financial need. The table below provides information on three of Florida's largest financial aid programs.

Table A-2
Florida's Three Largest Financial Aid Programs Serve Different Purposes

Federal Aid Program		Annual Award Limits
Florida Student Assistance Grant	Provides grants for undergraduate degree-granting students attending an eligible Florida public or private college, university, or postsecondary institution who demonstrate substantial financial need.	Up to $1,300
Bright Futures Scholarship Program	Rewards students for their academic achievements during high school by providing funding for them to pursue postsecondary educational and career goals in Florida. The program consists of four award categories: the Florida Academic Scholars Award, the Academic Top Scholars Award, the Florida Merit Scholars Award, and the Florida Gold Seal Vocational Scholars Award.	100% or 75% of tuition depending on award category
Florida Resident Access Grant	Provides tuition assistance to full-time Florida undergraduates attending an eligible private, non-profit Florida college or university.	Depends upon legislative appropriation

Source: Department of Education, Office of Student Financial Assistance.

Local aid. Institutions have the flexibility to provide local aid through a variety of sources such as direct appropriations (universities), foundations, direct support organizations, and other sources. In addition to these sources, the Legislature created the programs or provisions below to support institutional aid efforts.

- **Financial aid fees.** Community college and university boards of trustees are authorized to collect financial aid fees that do not exceed 5% of the tuition and out-of-state fee. Each community college board of trustees may collect up to an additional 2% if the amount generated by the total financial aid fee is less than $250,000. A minimum of 75% of funds from the student financial aid fee for new financial aid awards shall be used to provide financial aid based on absolute need.
- **Dr. Philip Benjamin Matching Grant Program for Community Colleges.** This program was established to encourage private support in enhancing community colleges by providing the community college system with the opportunity to receive and match challenge grants. Grant funds can be used for (a) scientific and technical equipment, (b) scholarships, loans, or need-based grants, and (c) other activities that will benefit future students as well as students currently enrolled at the community college.

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Appendix B

Federal Financial Aid Applicants in 2000-01

In 2000-01 (the most recent year for which complete data is readily available), there were 195,774 federal financial aid applicants in Florida's public postsecondary institutions, which included 110,941 community college students and 84,833 university students. As shown in the table below, these financial aid applicants represented approximately 33.5% and 38.1% of the total community college (college credit) and university enrollment respectively. Thus, the majority of community college and university students did not apply for financial aid during the year.

Table B-1
Our Review Examined the Unmet Need of 195,774 Financial Aid Applicants in 2000-01

	Financial Aid Applicants	Total Enrollment	Percentage of Enrollment
Community Colleges	110,941	331,386	33.5%
Universities	84,833	222,456	38.1%
Total	195,774	555,842	35.3%

Source: OPPAGA analysis of Department of Education data.

Appendix C

Cost of Attendance, Expected Family Contribution, Financial Need, and Unmet Need of Financial Aid Applicants by Institution, 2000-01

Community College	N	Median Cost of Attendance	Median Expected Family Contribution	Students With Financial Need		Students With Unmet Need	
				Percentage	Median Financial Need	Percentage	Median Unmet Need
All Students	110,941	$ 9,052	$ 194	93.2%	$ 8,036	86.6%	$4,962
Brevard	2,775	8,628	288	92.8%	8,131	89.0%	5,216
Broward	10,054	7,338	452	89.8%	6,281	78.7%	3,081
Central Florida	1,749	7,992	259	95.1%	6,579	91.3%	3,655
Chipola	640	7,009	308	92.7%	7,009	81.9%	4,409
Daytona Beach	4,300	10,808	261	94.1%	6,639	88.1%	3,860
Edison	2,112	7,890	1,007	87.2%	6,380	72.0%	3,444
Fla. Comm. Coll. at Jax	7,794	10,448	786	88.7%	8,911	82.4%	4,539
Florida Keys	190	11,400	0	100.0%	11,400	100.0%	8,814
Gulf Coast	2,051	10,500	251	97.0%	9,954	85.8%	6,699
Hillsborough	6,505	10,272	1,245	88.5%	7,655	88.4%	7,623
Indian River	2,142	7,760	306	92.4%	7,118	83.8%	3,359
Lake City	797	9,645	22	100.0%	9,461	98.1%	5,742
Lake-Sumter	686	11,151	288	95.2%	9,770	83.1%	6,154
Manatee	2,234	11,844	0	99.8%	11,407	95.8%	6,928
Miami-Dade	26,531	10,082	0	97.9%	9,214	96.1%	5,575
North Florida	158	9,514	0	100.0%	8,105	97.5%	5,031
Okaloosa-Walton	1,957	11,396	1,165	93.7%	9,821	89.6%	7,062
Palm Beach	4,702	11,062	880	90.6%	7,981	87.0%	5,270
Pasco-Hernando	2,239	9,592	1	95.9%	8,777	88.3%	5,439
Pensacola	3,977	9,110	100	95.2%	8,045	87.7%	4,849
Polk	1,295	11,276	385	96.2%	10,978	94.1%	8,398
Santa Fe	3,999	5,128	1,164	80.5%	5,128	44.1%	2,831
Seminole	2,613	10,048	728	91.1%	8,110	79.6%	4,954
South Florida	826	9,071	7	93.8%	8,178	90.3%	5,193
St. Johns River	1,108	10,332	480	92.0%	8,873	84.7%	5,866
St. Petersburg	5,501	8,487	601	92.6%	7,866	82.2%	4,412
Tallahassee	4,064	9,763	645	88.7%	8,068	79.8%	3,271
Valencia	7,942	9,620	0	96.6%	8,551	92.9%	4,714
Universities							
All Students	84,833	$12,283	$3,174	83.4%	$ 9,299	57.6%	$3,735
FAMU	6,103	14,364	1,144	90.3%	11,230	66.9%	4,348
FAU	6,301	12,285	2,590	83.4%	9,879	58.1%	4,411
FGCU	1,359	12,860	2,640	85.4%	9,374	65.9%	4,340
FIU	8,813	11,868	2,085	88.2%	9,088	69.4%	4,612
FSU	12,808	13,533	4,823	83.6%	8,220	45.3%	3,028
UCF	14,540	13,722	4,882	76.8%	9,541	51.6%	3,974
UF	14,159	11,860	2,821	81.7%	10,025	58.1%	2,390
UNF	4,416	10,554	3,828	76.4%	7,760	55.1%	2,994
USF	13,164	11,960	2,984	87.0%	10,896	64.3%	4,903
UWF	3,170	11,181	2,145	87.0%	9,774	51.4%	3,648

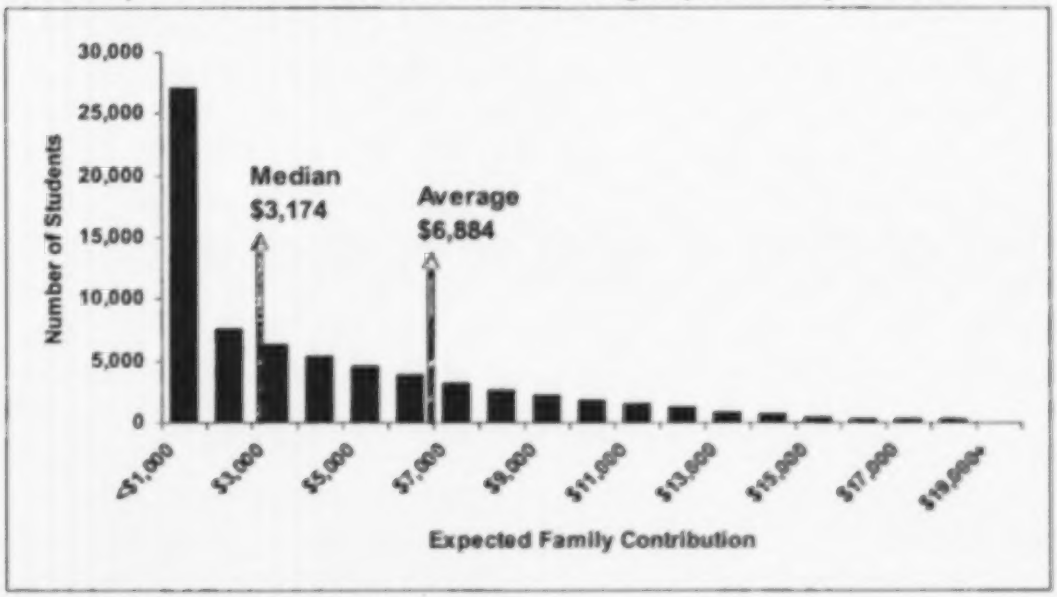
Source: OPPAGA analysis of Department of Education data.

Appendix D

Reporting the Typical Amount of Unmet Need for Students

We report the medians to represent the cost of attendance, expected family contribution, financial aid, and unmet financial need for the typical student. Unlike the averages, the median cost of attendance, expected family contribution, and financial aid do not compute to the median unmet financial need. Despite this disadvantage of the mathematical property of medians, we report medians because they are more representative of most students than the averages. Students that have high expected family contributions and students that receive large amounts of financial aid make the averages less representative of most students (see Table D-1).

Table D-1
The Median Expected Family Contribution for State University Students Is More Representative of Most Students Than the Average Expected Family Contribution



Source: OPPAGA analysis of Department of Education data.

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Project supervised by Tim Elwell, Chief Legislative Analyst (850/487-3631)
Project conducted by Deborah Wagar (850/487-9258) and Steve Harkreader
Jane Fletcher, Staff Director (850/487-9255
Gary R. VanLandingham, OPPAGA Interim Director

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